



Foreign Agricultural Service

**GAIN Report**

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**Poland**

**Sugar**

**Semi-Annual**

**2002**

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**Report Highlights:**

**Favorable weather conditions resulted in large beet and sugar yields. Newly estimated centrifugal sugar production will likely reach 2.0 million tons, almost 15 percent more than domestic use needs. Sugar exports are expected to reach 300,000 tons in MY 2002/03 of which one-third will be exported with government subsidies.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Semi-Annual Report  
Warsaw [PL1], PL

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**Executive Summary**

Based on preliminary information from the Main Statistical Office (GUS), planted area for sugar beets in 2002 is 303,000 hectares, a 4.5 percent decrease from 2001. Spring and summer weather conditions varied in different production areas, but generally, weather positively effected overall beet yields as well as sugar beet sugar content. Beet yields are estimated up by around 8 percent. Additionally, accelerated vegetation resulted in earlier harvest and processing; this year beet processing started around 2 weeks earlier than usual. Sugar content in beets is around 1.5 percentage points higher than the average for last year's crop.

Given higher than anticipated yields and sugar content, we revised up sugar production by 14 percent for MY 2002/03. It is estimated that sugar production will be 2.0 million tons of raw sugar, 19 percent above last year's crop but 9 percent lower than in 2000. The 2002 sugar production exceeds domestic consumption needs and government supported export quotas. The total quota is 1.8 million tons raw sugar. It is estimated that a significant amount will be exported without governments subsidies (the export subsidy quota limit is 113,000 tons of raw sugar).

Under Poland's sugar program, refineries are limited to sales of 1.54 million tons of white sugar (quota A, equivalent of 1.67 million tons of raw sugar) for the domestic market in MY 2002/2003, the same level as last year, and subsidized exports (quota B) to 104,400 tons (113,482 tons raw sugar equivalent) in CY 2003. The MY 2003/04 white sugar quota has been reduced to 1.52 million tons while that for iso-glucose was increased to 60,000 tons (dry matter equivalent of iso-glucose in 42% fructose solution). For the same year, production B quotas of sugar exported with subsidy is 102,200 tons of white sugar and 2,200 tons of dry iso-glucose.

The Polish Sugar Company (PSC) was created in August 2002 after long debate. Operations and policies related to this company have been reported in our previous sugar reports. The new company, which is supposed to be based solely on local capital, will consist of 25-26 sugar refineries accounting for 600,000 tons of the white sugar quota equaling 37 percent of the market. PSC, although it will have a relatively large production quota, may face serious financial problems if not supported with government funds, particularly during its start up operations.

**Sugar Beets PS&D Table**

PSD Table						
Country	Poland					
Commodity	Sugar Beets				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Area Planted	340	340	317	317	300	303
Area Harvested	333	333	317	317	300	303
Production	13145	13145	11364	11364	11400	11800
TOTAL SUPPLY	13145	13145	11364	11364	11400	11800
Utilization for Sugar	13145	13145	11364	11364	11400	11800
Utilizatr for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	13145	13145	11364	11364	11400	11800

**Centrifugal Sugar PS&D Table**

PSD Table						
Country	Poland					
Commodity	Centrifugal Sugar				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		09/2000		09/2001		09/2002
Beginning Stocks	189	189	243	250	182	189
Beet Sugar Production	2188	2188	1685	1685	1750	2000
Cane Sugar Production	0	0	0	0	0	0
TOTAL Sugar Production	2188	2188	1685	1685	1750	2000
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	50	49	70	70	70	65
TOTAL Imports	50	49	70	70	70	65
TOTAL SUPPLY	2427	2426	1998	2005	2002	2254
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	445	437	75	75	100	300
TOTAL EXPORTS	445	437	75	75	100	300
Human Dom. Consumption	1723	1723	1725	1725	1730	1730
Feed Dom. Consumption	16	16	16	16	16	16
TOTAL Dom. Consumption	1739	1739	1741	1741	1746	1746
Ending Stocks	243	250	182	189	156	208
TOTAL DISTRIBUTION	2427	2426	1998	2005	2002	2254